

CITIZEN'S BUDGET COMMITTEE (CBC)

Village of Irvington

New York, 10533

April 25, 2007

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INTRODUCTION

The Irvington Citizen's Budget Committee (CBC) was organized in January 2007. It held its first meeting on 1/6/2007, with Trustee Erin Malloy joining in as the Board Liaison.

At its first meeting, the Committee broke into sub-committees to study the various departments' budgets. The makeup of the subcommittees is as follows:

*DPW, Water/Sewer, Fire: Jim McCann, VK Ranganathan, Hilary Chenel, Alan Highet, Terry Masterson

*Parks & Recreation, Clerk/Treasurer: Guy Leeser, John Montgomery, Penn Wyrough

*Building, Theater, Library, Police: Ed Midgely, Joe Macies, Alan Reichman, Michael Havraniak

Terry Masterson joined in late March 2007, and Ed Midgley became active after Easter, 2007.

CBC members attended their respective budget workshop sessions from 1/10/07 to 2/28/07. This was followed by sub-committee members meeting and/or holding discussions with the respective heads of DPW, Parks and Recreation, Police, Library, Theater, Fire and Treasury Departments.

The CBC members have spent considerable time studying and analyzing the various budgets. Their tentative findings and recommendations are presented in the following pages in nine sections: Library, Theater, Police, Peer Analysis, Water, Parks and Recreation, General Government, DPW and Fire. No attempt has been made to force a consensus, and we present all recommendations suggested by members. As this is our first report, we look forward to getting the Board's input and direction on the next course of action so that we closely align our efforts to the needs of the Board.

CBC members want to thank Village Administrator Don Marra, Clerk-Treasurer Larry Schopfer and Deputy Clerk-Treasurer Ed Ritter for scheduling meetings for CBC sub-committees with various department heads and for providing information and data. CBC thanks DPW chief Greg Nilsson, Head of Parks and Recreation Joe Archino, Theatre Manager Pamela Rapp, Librarian Pam Strachan, Fire Chief J. P. Natkin and Police Chief Louis Grieco for briefing the sub committee members about their departments and issues.

Citizens' Budget Committee, Irvington, New York
Summary of Initial Findings and Suggestions
March 31, 2007

Introduction

The Citizens' Budget Committee was organized by the Board of Trustees of the Village of Irvington in December 2006, and held its first organizational meeting on January 2007.¹ In the two and half months since then, the twelve members of the Board have intensively studied the village budget, attended Board of Trustees meetings, and met with various village officials.

The committee is deeply concerned about the size of the village budget and about its rate of growth. Spending on major village functions substantially exceeds levels in neighboring villages. Although it appears that the level of municipal services may also be higher in Irvington than in those neighboring villages, this disparity nevertheless reflects the lack of a culture of budget discipline in Irvington village government.

In the last seven years, village property taxes (per assessed value) have increased at a 7.9% average annual rate and 70% in all, far exceeding the rate of inflation over that period. If we keep up this rate of growth, village taxes paid by a typical resident will nearly double by 2015.

The tentative budget for the 2007/08 fiscal year (beginning June 1, 2007) calls for a 7.6% increase in total spending (including water, sewer, and library) to \$16.3 million, requiring a 9.0% increase in village property taxes. The Committee urges the Board to decide on a much lower target for tax increases going forward and to require departmental budgets to conform to those targets. **The targeted property tax increase should at most be 2-4% per annum.**

Without better fiscal discipline, rising taxes could begin to have a substantial negative impact on values of homes in the village and on the village's credit rating, and would also reduce funds available for other public priorities, including the public school system.

The Water and Sewer Departments have been self-financing through user fees, which were increased last year. However, unexpected and disputed bills recently received by the village from the Town of Greenburgh, related to the Rumbrook Pumping Station, could cause the Water Department to run a substantial deficit in 2007/08, requiring short-term borrowing that would require further rate increases in the future.

The twelve members of the committee have formed several subcommittees to examine budget issues in individual village departments. This is ongoing work that will continue after the completion of the current village budget. Our focus so far has been on current expenditures. In coming months, the subcommittees will also be gathering information

¹ The twelve members of the committee are Hilary Chenel, Michael Havraniak, Alan Highet, Guy Leeser, Joe Macies, Terry Masterson, James McCann, Edward Midgley, John Montgomery, Vembar Ranganathan (chair), Allen Reichman, and Penn Wyrrough. The trustee liaison to the committee is Erin Malloy.

on departments' capital budget, which are related to the sharp rise in village debt in recent years.

Most village officials have been extremely forthcoming and cooperative with the committee, and our work has greatly benefited from their input. In certain departments, however, responses have been slow. We urge all village officials to continue to work with the committee, and hope that the Board of Trustees will continue to support us in our work.

The initial suggestions of the subcommittees and various individual members are listed below. These are ideas developed by individual committee members. They do not necessarily reflect the consensus of the committee.

Suggestions for the current budget cycle:

- Consider delaying the hiring of a replacement for the current **Village Administrator**, who is retiring in May 2007. Such a delay would provide at least a temporary budget saving. If and when a replacement is hired, that individual should be able to demonstrate a strong understanding of budgetary processes and disciplines, preferably from years of experience in a similar role elsewhere. He or she should also have sufficient independence to enforce budget discipline in Irvington.
- Form a committee, comprising 2 or 3 citizens with financial and/or legal background, to study existing employment contracts, and report on the **long term retirement liabilities** of the village. The future costs to the village arising from its 73-person full time staff, notably those covered by union rules, are quite significant. While pensions are funded through the state, healthcare payments are on a "pay-as-you-go" basis. Benefits for current retirees are paid out of the village's current budget, but the village's commitments for future benefits when current employees retire are creating unfunded legacy costs that will burden future taxpayers. (The work of an actuary, which the village is engaging – jointly with 27 other villages – in order to comply with a pending change in government accounting standards, should provide a full accounting of these liabilities.) Additionally, the Board of Trustees should ask the Citizens' Budget Committee to study and comment on any new employment or union contract, prior to its decision.
- For the **Water** Department, agree on a negotiating strategy, timetable, deliverables and team to resolve the Rumbrook Pumping Station charging dispute.
- Appoint an independent engineer to examine the Village's **Water** infrastructure and report on its condition, problems and deficiencies that need to be repaired or replaced in the next 3 years, and the estimated cost of this work.
- Raise **Water** rates by 20% (effective June 1, 2007) to reduce the deficit in the Water Fund. Additional increases may be needed in the budget for the 2008/09 fiscal year, depending on the conclusions in the engineer's report and the level of the deficit at the end of 2007/08. Because of the disputed charges on Rumbrook Pumping Station, the current year's deficit is likely to increase to \$1.2-\$1.4 million, if such increases are not approved.

- Assess immediate options for reducing personnel costs in the **Police** Department. Overtime expenditures should be frozen until a clear picture of the reasons for overtime is provided to the committee and the Board of Trustees, and until effective procedures and controls can be implemented. Selected staff reductions should also be considered.
- Consider raising **Recreation** fees, by at least the same rate as the increase in the Recreation Department budget. The current budget calls for a 4.8% increase in the Recreation Department budget, but no increase in fees. To the extent that an increase in fees would create financial hardship for users of the programs, the Recreation Department might consider a discount to those with financial need.
- Solicit regular competitive bidding for the village's general **insurance** needs. The village's current bill for general insurance (including liability and workers compensation, but excluding health and life insurance) was \$728,433 in 2006/07. The village solicited competitive quotes most recently for fiscal 2004-05.
- Expand **recycling**: Research and adopt best practices from other municipalities to expand source separation of recyclables. There are many practices that Irvington does not implement. Encourage residents to recycle, and reduce garbage with an active communications campaign. The village is incurring an expense of \$125,200 in the current fiscal year for dumping sanitation and construction debris. The village pays no fees for recycling.
- Research the frequency of **recycling** collections. Research the pros and cons of picking up recyclables bi-weekly instead of weekly. Determine what cost savings would be. Would fewer pick ups discourage recycling? Or are weekly pick ups not worth the tonnage collected? Perhaps issue homeowners larger recycling buckets.
- Charge residents \$5 for **refrigerator disposal**, to reimburse the village for the charges it pays.
- For the Town Hall **Theater**, the current policy is to give preference and priority for children and the Irvington community groups. This is the right focus. However user fees should reflect and cover actual operating expenses. Currently children performances generate \$100 for the entire production including rehearsals. Examine the feasibility of increasing the Children and ITH Foundation rental rates to at least cover a larger portion of the actual operating costs.
- Also for the Town Hall **Theater**, continue to balance between children, Irvington Community groups and commercial performances. The Theatre Manager is recommending for 2007/08 to produce no children's events as producing is a money loser and there is already an over exposure of children performances. One approach would be to have group goals to help the Theatre make booking decisions. For example commercial should be 35% of capacity and children and Irvington Community groups the remaining 65%. The goal should be to get the Theater to break even.

- Continue to search for increased federal aid for **Fire** Department activities, in the context of significant growth in the federal homeland security expenditures and also a significant expansion in the Fire Department's mission.
- Create a committee to research and recommend on funds available from other levels of government (county, state and federal) agencies for infrastructure development.

Longer-term suggestions:

- **Restructure budget procedures**, so that departmental budgets are shaped by the village's overall fiscal position. The Board should choose a target for property tax increases and require departments to submit budgets in line with the target. The targeted property tax increase should at most be 2-4% per annum.
- Investigate opportunities with **neighboring villages** for joint provision of services or even mergers of departments. Opportunities for joint purchase and operation of heavy equipment should also be explored.
- Review ownership and operating alternatives for the **Water** Department, including full privatization and contracting-out options.
- Consider alternative arrangements for **health insurance** for village employees. According to the 2007/08 budget, spending on health insurance (which includes current spending for retirees) will total \$1.6 million, almost 10% of total spending. It is also important that the village get a better picture of its future liabilities for retiree health benefits. This is mandated by a new government accounting standard (effective with the 2008/09 budget), but would be important regardless of the accounting standard. It is also advisable to consider establishing a fund for these liabilities, when New York state law permits such funding.
- Develop strategies to stem the erosion of the village's **tax base**. The Village's tax base in assessed value terms is shrinking 1.0% this year (due to the loss of the Holy Spirit property from the tax rolls), requiring a disproportionate increase in property taxes. It is important to consider measures to maintain the assessed value of village's property tax base.
- Consider fundamental changes to the **Police** Department. One alternative is the model used by Lewisboro, NY, which relies heavily on part-time officers.
- Fully fund liabilities for current or past fire and ambulance volunteer **service pensions**, or at least, recognize these liabilities in the village's budget. According to the village's most recent audited financial statements, there was an unfunded liability of \$563,197 in these programs as of Dec. 31, 2005. More recent information is not readily available.
- Consider collection of **garbage** once a week instead of twice, as is the practice in most New York municipalities and adjoining villages. Garbage collection now

occurs daily, with 3 drivers and 6 laborers. This will save fuel, vehicle usage and maintenance expenditure. It may not work for all of Irvington, particularly not in the more densely populated sections. Single week could start as a model in one or two neighborhoods to see how it works – a step at a time.

- Transfer maintenance of **sidewalks** (including snow removal) to property owners, as in almost all adjoining villages. Sidewalks are owned by the village. But each municipality can decide on whose responsibility it is to maintain the sidewalks. Of the 22 miles of roads, 10 miles have sidewalks. Clearing sidewalks (snow removal, leaves blowing and grass cutting), notably along the Main Street takes up considerable man-hours. In 1990, the Village commenced a major and most expensive replacement of sidewalks all over the Main Street and North/South Broadway zone. The end goal was to turn the sidewalks over to the nearest property owner. But this did not happen. Irvington will incur \$160,000 for snow removal (overtime, supplies and equipment and maintenance) in 2007/8. There could be some savings in the budget if the sidewalks are cleared by the property owners themselves.
- Institute a rule for bagging **leaves** as in Dobbs Ferry. Try to partially reduce overtime fees, and deploy saved human resources for ongoing repairs
- Examine the potential to create a Town-Hall **Theater** fundraising program. The funds would be used to maintain and improve the Theatre, and possibly contribute towards air conditioning.
- Study opportunities to scale back **Library** hours to reduce the scale of part-time labor costs. At \$200,200, part-time labor costs are the single highest line item in the Library's 2007/08 budget.
- Assess alternatives (such as improved insulation) for improving the energy-efficiency of the Burnham Building, which houses the **Library**.

REPORT ON LIBRARY BUDGET

Prepared by Mike Havraniak

Participating sub-committee members:

Mike Havraniak, Joe Macies, Allen Reichman

Summary Data:

- Library 2007 budgeted expenses (excluding retirement & benefits) \$624,542
 - FT labor of \$189,372 (30.3%); PT labor of \$200,200 (32%); books (\$60,000), subscriptions (\$6,000), and contracts with other libraries (\$35,020) (16%)
 - Relatively flat from 06 Adjusted (down 1%) and 06 Projection (up 1%)
 - Up 7% from 2004 actual, driven by:
 - Salaries for part-time clerks (up 8.4%)
 - Equipment (up 62%) note: budget for 06 was \$4k, \$1.8k for 07 (equipment is purchased on an “as needed” basis)
 - Utilities (up 48%) note: what happened in 2005?
- Other costs (retirement & benefits) up 4% from 06B and up 23% from 04A (is another group looking at these costs?)

Summary Overview: A relatively small budget with little changed from 06B. Majority of costs are related to full and part-time employees and basic library services (books, periodicals). Costs have crept up from 2004, albeit not dramatically.

Recommendations:

- After discussion with the Head Librarian, it was determined that charging for library cards is not an option. There is a state mandated education related policy which provides that basic library services are provided for free. However, the library should consider charging out for the space it has available for cultural and learning events. Currently, the library charges \$50. We would suggest the library can charge more (\$150 – similar to Armonk). These charges can be recouped in charging nominal fees for these events.
- The building HVAC is not efficient. This leads to high utility costs for the library (note above dramatic rise in utility expense). The Head Librarian noted that the building is drafty, cold in the winter, hot in the summer. The building is joint-owned by the Village and the not-for-profit entity Grayston. A study should be performed on the building HVAC and recommendations should be made to look for efficiencies in the buildings heating and cooling (e.g., insulation).
- Longer-term consideration: Part-time labor is the single highest cost - there are a number of part-time employees (averaging 17 hours/week). They provide functions varying from assisting reference librarians, to clerical work. The library may consider using a formal, structured volunteer service to cut back on these costs. Also, the library has very accommodating hours. A study can be done to determine the libraries most active hours and hours can be scaled back accordingly.

REPORT ON THEATER BUDGET

Prepared by Joe Macies
Participating sub-committee members:
Mike Havraniak, Joe Macies, Allen Reichman

SUMMARY

This report is based on the meeting with the Theatre Manager Pamela Rapp and the analysis of actual operating expenditures over the last 3 years and the Tentative Budget for 2007/08. The Theatre revenues forecasted in the budget for the current year (2006) and the Tentative Budget for (2007) and that provided and presented to the Board by the Theatre Manager are different. The following table compares the differences.

	2004 Actual	2005 Actual	2006 Budget Forecasted	<i>2006 Theatre Manger</i>	2007 Budget	<i>2007 Theatre Manger</i>
Revenue	\$54,500	\$63,300	\$70,000	<i>\$85,500</i>	\$65,000	<i>\$88,000</i>
Expenses	\$66,600	\$72,600	\$96,800	<i>\$96,800</i>	\$95,800	<i>\$95,800</i>
Shortfall	\$12,100	\$9,300	\$16,800	<i>\$11,300</i>	\$30,800	<i>\$7,800</i>

The Theatre Manager forecasted 2006 revenues are based on revenues collected to date and projected through April 2007. The difference in revenue forecasts appears to be a more conservative approach in revenue projections by the Village Administration. For the purposes of evaluating the Theatre operations, the Theatre Manger revenue projections are being used as they appear to be more reflective of the actual results.

Over the last four years (2004-2007), the Theatre operating expenses have increased (44%). The operating expenses for the Theatre do not include heating, electricity or water. These operating expenses are covered in the operating costs of the Town Hall building. Based on the Theatre Manager's revenue projects for 2007/08, the revenues have increased by 61%. Most of the operating costs increases (90%) are two items, increase in labor costs and the acquisition of new equipment and the maintenance of equipment. The revenue increase is the result of greater Theatre usage in the number of performances as follows:

THEATRE USAGE IN NUMBER OF PERFORMANCES

	2003	2004	2005	2006
Sept. – Jan.	42	45	45	61
Feb. - June	37	45	43	46
TOTAL	79	90	88	107

Although the number of performances has increased, several of the additional performances are for children. The children performances are heavily discounted and generate very little revenue. (See issues section). Based on the number of performances in 2006 the Theatre is at or very near capacity for the period of September 15th to June 15th. Most performances are on the weekends and the weekdays are used for rehearsals. The Theatre is closed from June 15th to September 15th because there is no air conditioning. If air conditioning was installed the Theatre,

it can expect an additional 25% capacity. Assuming the same ratio of usage (children, Irvington community groups and Commercial) the additional revenues would be about \$22,000. The estimated cost to install air conditioning is \$750,000.

FINDINGS

1. Over the last four years (2005 -2007) the operating costs have increased by \$29K or 44%.
2. The largest operating cost increase occurred during the 2005-2006 (current year) period. The increase was \$23.6K or 32%.
3. The original approved 2006 approved over 2005 was increased by \$11.1K or 13%. The budget was adjusted (increased) during the year by an additional \$12.5K or 17% for a total increase of \$23.6K.
4. Almost all (\$10.1K or 91%) of the additional budget increase during 2006 was for labor. The Theatre has no full time employees and pays the Theatre Manager \$27k for working 30 hours a week. The labor costs appear to be very reasonable.

ISSUES

1. Over the last four years the number of performances has increased from 79 to 107. This has resulted in a 61% revenue growth. The Theatre's mandate is to cater to children and the Irvington Community groups. Commercial clients are third. The focus is NOT to maximize revenues but to accommodate the children/ITHT Foundation, and the Irvington Community groups. The rental rates for the various groups are as follows:

RENTER CATEGORY	MEETING 2006 RATES	MEETING 2007 RATES	PERFORMANCE	REHEARSAL 2006 RATES	REHEARSAL 2007 RATES
Children/ITHT Foundation			\$100	FREE	FREE
Irvington Group	\$150	\$225	\$500	\$25	\$25
Community Service	\$250	\$300	\$600	\$25	\$25
Non-Profit	\$355	\$400	\$750	\$25	\$35
Commercial	\$450	\$500	\$1,100	\$25	\$50

In addition to the rental rates the Theatre does charge for such items as piano rental, wireless microphones, printing of tickets, extra lighting etc.

2. There is a plan to implement a system to make tickets available on-line to reduce some labor costs and waiting times to pick up tickets. The implementation of the on-line system is scheduled to be in place by September 2007.
3. Labor costs have increased 55% over the last 3 years. The labor costs appear to be very reasonable. The Theatre Manger is paid \$27k for 30 hours per week. She

does not get any benefits, and seems to serve almost as a labor of love. The other labor costs are part time for Theatre cleaning, handyman to set up stage and lights, and ticket office staff.

RECOMMENDATIONS

1. Preference for children and the Irvington Community groups is the right focus. However user fees should reflect and cover actual operating expenses. Currently children performances generate \$100 for the entire production including rehearsals. Examine the feasibility of increasing the Children and ITHT Foundation rental rates.
2. Continue to balance between children, Irvington Community groups and commercial performances. The Theatre is recommending for 2007/08 to produce no children's events as producing is a money loser and there is an over exposure of children performances. One approach would be to have group goals to help the Theatre make decisions. For example commercial should be 35% of capacity and children and Irvington Community groups the remaining 65%. The goal should be to get the Theatre to break even.
3. Examine the potential to create a Theatre Fund Raising program. The funds would be used to maintain and improve the Theatre, and possibly contribute towards air conditioning.

REPORT ON POLICE BUDGET

Prepared by Allen Reichman

Participating sub-committee members:

Joe Macies, Ed Midgley and Mike Havraniak

We are starting our report by paraphrasing and summarizing the observations of our committee members:

A) At the outset, the sub-committee's discussions with the Chief of Police on 3/22/2007, left it with the impression that the departments prepare budgets without fiscal limitations set by the administration or board, such as "departmental expenses should not exceed an x% increase." Additionally, the village administration is aware that the assessed tax base is declining and that every dollar of increased expenditure results in a dollar fifty increase in taxes. Given the tax increases of the previous years and the apparent political desire to review "business as usual procedures," the budget process needs to be revised. We don't recall a single comment from any department head about how tough this year's budget process was.

B) Let me frame the impending fiscal situation if we do nothing regarding the size and cost of the police force

<u>2002/2003</u>	<u>2007-2008</u>	<u>2012-2013</u>	<u>5YR Rate of Growth</u>	<u>Annual Inflation Rate</u>
\$1,956,250	\$2,497,648	\$3,196,989	28%	3.5%

C) The union contracts have a built in non-negotiable increases that averages 4.0 % per year for the period June 1, 2006 through May 1, 2009. Also, this does not include any unfunded retirement benefits. Over the last 5 years, the average policeman qualifies for around 54 paid days leave per year and when you sum the various categories; the average salary is approximately \$70,000 (pre-benefits).

Since 85% of the Police budget is personnel, we believe it can be brought back into fiscal norms mainly by head count reduction. By reviewing the salaried positions and their job functions coupled with the crime data, we must ask ourselves, can we afford a \$2.5 million budget, which is 18% of the total village budget? We average 3.3 arrests per month and 7.6 felonies per year, which is obviously good news, but we believe can sustain similar low crime rates with a smaller force and restructured positions. Most of the police other duties, while important, tend to be more service oriented in nature such as traffic accidents, medical aid calls, and calls for service etc. which can also be handled by a smaller force.

In addition, there are three types of costs associated with the police department that show up elsewhere in the budget, so the total expenditure for the police is much greater than it appears. They are:

- 1) Benefits including healthcare, pensions, life insurance, social security and worker's comp. The police department accounts for 43% of the total personnel

cost so if they account for the same proportion of benefits, then \$1.26 million of the total benefits cost is attributable to the police.

- 2) Capital costs of vehicles. These expenses are part of the village's debt service to purchase 10 police vehicles.
- 3) Fuel costs in the Central Garage budget totals \$161,700 and since there are no specific fuel costs mentioned in the police budget, it must be included in this budget.

CONCLUSION

We seem to be over resourced in this department given the crime data provided. There is no clear evidence either that we need 24 full time staff and 3 part time staff to serve this village of 2.7 square miles. The Police budget requires significant personnel reductions since the salary and legacy costs are growing at a rate well beyond the capacity of this village to sustain such expenditures via increased taxes. In considering our short term and long term recommendations we carefully weighted service levels, safety and the costs.

PHASE 1--- SHORT TERM RECOMMENDATIONS

1. We recommend a moratorium on all hires new or replacements for 180 days including overtime expenses.
2. Examine moving and sharing central dispatch with Dobbs Ferry. We are recommending Dobbs Ferry for several reasons. One, its proximity to Irvington. Two, very similar profile. Three, Dobbs Ferry has hired civilians as their dispatchers. Four, they have invested in and implemented state of the art dispatching computerized equipment to track and handle all calls. By sharing the dispatchers with Dobbs Ferry we will significantly reduce our dispatching costs by using civilians. This will additionally free up 9,000 hours of senior and experienced police time to be available on patrol. These hours would be used to virtually eliminate the need for overtime (approximately 6,600 hours). And this would result in having 2.0 additional excess officers. Personnel reductions should be done accordingly. The cost of shared dispatch to be pro-rated between Irvington and Dobbs ferry, based on population size. The same rule applies to any other shared services"
3. In order for the Irvington Police Force to be dispatched by a jointly owned dispatch center to be located in Dobbs Ferry, the Irvington cars may need new radios and a GPS system that could communicate with the Dobbs Ferry dispatch system. Portable radio could be used as a short term solution, which we believe are currently available. The Irvington car radio system is antiquated and cannot communicate with Dobbs Ferry or any other Police Force in the area other then phone calls to central dispatch desk in Irvington.
4. We recommend that the Irvington Police Department apply for accreditation certification provided by the New York State Dept of Criminal Justice Services.

The accreditation will help the village in reducing the insurance liability premiums.

5. **FIRING RANGE:** The Board needs to consider closing or shifting of the Firing range out of Irvington, generating in turn more open spaces for the Village and eliminating potentials for lead poisoning.
6. Parking Enforcement Officer should be eliminated. The revenue collected does not cover his salary and patrol officers can fill the void. In other villages all members of the force perform this function. **This will save almost \$28,000.**
7. Consider elimination of the lieutenant's position. It appears to duplicate the police chief's role. **This will save \$102,790 in salary alone, not including benefits.**
8. The overtime budget needs closer examination. We would like to have the village's CPA firm scrutinize this line item, as we were not provided with the details. For example, the overtime categories are not always plainly defined. A cost benefit analysis needs to be conducted of overtime pay vs. keeping personnel.

CALCULATIONS OF COST OF SAVINGS

To staff the dispatch desk at Irvington Police department requires six (6) police officers. Typically these are very experienced Sergeant level high cost individuals. The six officers are required because of what is referred as the Assignment Availability Factor (AAV). The assignment availability factor is a calculation based on the total hours required to staff the tour and the hours provided by a single officer.

Total hours required to staff a tour is 2,920. (365 days X 8 hours per hour).

Based on the collective agreement and a 3-tour schedule the maximum days available are 243. (4 days work with 2 days off. 365 days divided by 6 = a maximum of 60 tours of 4 days each = 243 days. Subtracting vacation, holidays, sick leave, personal leave, bereavement and training days, the number of number of days available on average for an officer to work is around 181 days or 1,450 hours per year.

Therefore the assignment/availability factor is total hour required for a tour divided by the hours available per officer ($2,920/1,450 = 2.0$). This means that we require a minimum of 2 officers to staff an 8-hour tour. Therefore to staff the dispatch desk we need 6 officers.

The cost of a sergeant for 2007 is \$95,592 without benefits for a total cost of \$573,552[98592 x 5]. Assuming benefits are 33% the total cost is approximately 762,824 to staff the dispatch desk.

We are assuming that by jointly sharing with Dobbs Ferry dispatch, we would add no more then 3 additional dispatchers at a cost of \$40,000 each for a total cost of \$120,000.

We further assume that approximately 4 of the officers “available” from the dispatch desk would be used to eliminate the need for most of the overtime. This would result in a savings of \$225,000. The remaining 2 available officers would not be required to retain the current level of service resulting in a savings of \$254,274.

Summary of Phase I costs and savings of sharing dispatch

Cost for additional 3 civilian dispatchers to be located in Dobbs Ferry	\$120,000
Cost of new radio and GPS system for Irvington cars	<u>30,000</u>
Total new costs	\$150,000
Overtime savings by using 4 available officers from dispatch	(225,000)
2 available officers	(254,274)
Total Savings	\$479,274
NET SAVINGS AS RESULT OF SHARING DISPACH	\$329,274

PHASE II-- LONG TERM SOLUTIONS

- MOU [Memorandum of Understanding] to combine forces with Dobbs Ferry.
- Consider elimination of our detective division. Strong evidence that either Dobbs Ferry or Greenburgh can easily accommodate us. We can **save 190k in salaries** not including benefits. I cannot at this time compute the cost of outsourcing this function; so further analysis needs to be done.
- Better understanding of expense and revenue projections of the Westchester Task force. We need to verify the benefits to the village.
- Look into replacing patrol officers that handle crossing guard duties with crossing guards, which will net substantial savings.
- We can investigate a model similar to Lewisboro and re-footprint the entire force using part time officers. When this was presented to the chief, he was concerned that the response time would suffer and this seemed to be his only argument for justifying a sizable force. Considering that we are **one-tenth the size** of Lewisboro, we don't think that this would be an issue. However, we recognize we are making this observation without any crime data for Lewisboro. This would be a long-term goal that would need careful planning and study.
- As NY Mayor Bloomberg has done, when the collective bargaining agreement comes up for renewal, the Board needs to consider asking for quid pro quo in terms of productivity incentives, joint operations and merger of radio frequencies with Dobbs ferry. The sub-committee further suggests that the Trustee liaison for the Police department may consider obtaining the sub-committee inputs in any future negotiations involving collective bargaining or other matters which impinge upon the over all Police department budget.

As much as we appreciate living in a safe community, we believe we can be as safe with a substantial reduction in head count, which will add to our fiscal health and well being.

VILLAGE BUDGET PEER ANALYSIS

Prepared by Penn Wyrrough

I wish to share the attached analysis with the CBC. It is my own comparable or peer analysis of the major line items of the 2006-2007 adopted budgets of the Rivertowns villages which I took from the published budgets.

There are some obvious challenges in trying to categorize revenues and expenditures uniformly. I am sure I made mistakes. I welcome any comments or corrections.

Some specific observations:

Irvington has the highest per capita village government expenditure in the Rivertowns although not by a great margin over Ardsley.

Irvington property taxes represent the highest percentage of assessed home value and of total village government revenues, although again Ardsley is close. Both Dobbs and Hastings derive a significant percentage of government revenues from sources other than property taxes.

There is a wide variance in the cost of village government. Irvington is the most expensive. This category comprises many line items so it is hard to generalize. One major line item is insurance. We have the most expensive policy (it may be worth it, I don't know the details), double what Hastings pays and triple what Ardsley pays.

The cost of Irvington public safety appears in line with peers.

Irvington DPW is significantly more expensive than the others. Don't know if the water department makes a difference. Even if it did, it still means we are paying more since I believe our water rates are higher than the other villages as well.

Irvington Parks and Rec is materially higher the other villages, in part because we have more and newer parks than any other village. The Dobbs pool cost is in their rec line expense; it is not for Hastings. However, the rec department collects over \$450k in fees, so the net expense differential compared to other villages is less. When the large amount of rec fee revenue is netted out of Irvington's other revenue line, we are nearly as small as Ardsley, which is curious.

We lead the pack in debt service, in large part because of Scenic Hudson and other assets we are still paying for.

I don't have accurate employee headcount numbers to frame properly the cost of employee benefits but the costs comparisons with the other villages are not favorable, Dobbs employee benefits bill notwithstanding.

Library costs are comparable. I have never seen the Ardsley library.

A general observation:

The village of Irvington provides its residents more government goods, services and benefits than any of the other Rivertowns. A small, but representative example of fact is, where Hastings, Dobbs and Ardsley spend \$15k, \$20k, and \$2k, respectively, on celebrations, we budget \$50k.

A personal observation:

In addition to generating other revenues, like increasing rec fees to cover the cost of the increase in the rec budget, which the rec subcommittee is recommending, or getting more state monies, it is clear to me that we must also look at reducing costs, either by providing the same services more efficiently or reducing the level/type of service. Each expenditure increase seems rational in isolation either because of the argument presented in its favor or because we have no choice due to employment contract or bond. But the sum of the increases, and the corresponding tax increases, are not rational to me. I look forward to a discussion on how we can act on these thoughts.

PW

Village Peer Analysis complied by Penn Wyrrough									
	Irvington	Ardsley	Dobbs	Hastings		Irvington	Ardsley	Dobbs	Hastings
Population	6631	4269	10622	7648	Population	6631	4269	10622	7648
Median Inc	\$96,467	\$105,293	\$70,333	\$83,188	Median Inc	\$96,467	\$105,293	\$70,333	\$83,188
Assessed Value	\$48,562	\$31,586	\$53,644	\$42,516	Assessed Value	\$48,562	\$31,586	\$53,644	\$42,516
BUDGET									
General Fund	\$12,616	\$7,998	\$13,136	\$11,248	General Fund	\$12,616	\$7,998	\$13,136	\$11,248
Library	712	376	626	733	Library	712	376	626	733
Pool Fund				300	Pool Fund				300
Other	15			31	Other	15			31
Total	\$13,343	\$8,374	\$13,762	\$12,311	Total Expenditure	\$13,343	\$8,374	\$13,762	\$12,311
Exp per Capita	\$2,012	\$1,962	\$1,296	\$1,610	Exp/Capita	\$2,012	\$1,962	\$1,296	\$1,610
REVENUES					REVENUES				
Other Revs	\$1,387	\$877	\$1,326	\$2,539	Other Revs	10.4%	10.5%	9.6%	20.6%
Prop Tax	10,869	6,739	9,894	7,837	Prop Tax	81.5%	80.4%	71.9%	63.7%
Sales Tax	800	545	1,530	1,000	Sales Tax	6.0%	6.5%	11.1%	8.1%
State Aid	286	223	318	546	State Aid	2.1%	2.7%	2.3%	4.4%
Prior Surplus				391	Prior Surplus				3.2%
Fund Transfer			695		Fund Transfer			5.0%	
Total	\$13,342	\$8,384	\$13,763	\$12,313	Total Rev	100.0%	100.0%	100.0%	100.0%
Tax/Assessed Value	22.38%	21.34%	18.44%	18.43%	Tax/Assessed Value	0.00%	0.00%	0.00%	0.00%
EXPENSES					EXPENSES				
Govt	2,080	1,312	2,006	1,501	Govt	15.6%	15.5%	14.6%	12.2%
Public Safety	2,507	2,437	3,820	2,984	Public Safety	18.8%	28.9%	27.8%	24.3%
DPW	2,621	1,687	1,971	1,781	DPW	19.7%	20.0%	14.3%	14.5%
Parks/Rec	1,501	226	977	617	Parks/Rec	11.3%	2.7%	7.1%	5.0%
Com Svcs				280					
Debt Svc	1,178	635	283	949	Debt Svc	8.8%	7.5%	2.1%	7.7%
Emp Benefits	2,727	1,767	3,225	2,307	Emp Benefits	20.5%	20.9%	23.5%	18.8%
Library	712	376	626	733	Library	5.3%	4.5%	4.6%	6.0%
Transfers			831	786	Transfers			6.0%	6.4%
Misc				331	Misc				2.7%
Total	\$13,326	\$8,441	\$13,739	\$12,268	Total	100.0%	100.0%	100.0%	97.7%
No of emp				59/204	No of emp				59/204
Total Debt			8.5						
Insurance	501	145	405	235					

REPORT ON WATER and SEWER BUDGET

Prepared by Alan Highet and Hilary Chenel

1.0 Introduction

Irvington's Water and Sewer department is responsible for the maintenance and repair of the approximately 80 year old underground water and sewer system and is overseen by Irvington's Department of Public Works. Please note that the numbers used in this report are "projected actual results" (unless otherwise noted) and may vary from the published "original budget". At the outset, as there are several unknown variables arising from Rumbrook pump station disputed claims (see below), it has been hard to come by reliable Water fund data. The sub-committee urges greater transparency in the presentation of water fund budget, despite the prevailing uncertainty. The sub-committee further notes that it is of utmost importance that the Rumbrook disputed claims are resolved expeditiously, assigning it top priority.

Water revenue for 2006 (current budget cycle which will end May 31 2007) is projected to be \$1,891,750 a 61.4% increase over 2005 (last year's budget cycle which ended May 31, 2006) revenue of \$1,172,009 due to a Village water/sewer rate increase of 65%. Sewer revenue for 2006 is projected to be \$174,000, a 69.3% increase over 2005 revenue of \$102,779, again due to a rate increase. Water expense for 2006 is projected to be \$1,809,425, a 31.6% increase from 2005 of \$1,374,575. It is important to note that the projected source of supply for 2006 has been adjusted upwards to \$665,000 from the original budgeted amount of \$397,800 due to Rumbrook Pumping Station expenses (to be discussed later). As a result water expenses increased during the 2006 budget year 14.6% from the budgeted amount of \$1,578,700 to the final projected amount of \$1,809,425. Sewer expense for 2006 is \$106,383, an increase of \$24,359 (29.7%) from 2005 of \$82,024. This increase is due in large part to a 54.7% increase in sewage disposal fees from \$45,238.58 to \$69,998.00. Without a rate increase water revenue for 2007 (the next budget cycle) is projected to rise slightly to \$1,893,900.

Irvington and other Westchester municipalities receive water from New York City. Until 1992 New York City was charging \$75 per million gallons of water used with consumption of 350 million gallons per year. In the following 10 years, as volume increased New York City raised its base rate to \$700 per million gallons (from \$75 per million gallons). New York City's current rate structure is as follows: base rate \$700 per million gallon and overage rate \$2300 per million gallons. New York City took an average water usage and anything over would be charged at a different, higher rate. Between 1992-1997/8 Irvington was incurring very little if any overage fees. However in 1997/8, The Legend Hollow Development increased water usage dramatically and overage fees went from \$0 to \$150,000 - \$180,000 per year, initially not paid for by the user. In 2002 the Irvington Treasurer and Water Department proposed a 28% rate increase and a two tiered rate structure whereby those incurring overages would be billed for the usage. The tiered rate structure was adopted but the rate increase was not. Initially, the additional revenue of \$100,000 met projections but fell short of covering increased water charges from New York City. As a result between 2002 and 2006 a water deficit of \$1,028,712 was incurred. In order to correct the problem and erase the deficit water rates were increased by 65% for the budget year 2006.

In 2002/2003 Irvington and Greenburgh entered into a joint venture to share in the purchase of wholesale water thru the Rumbrook Pumping Station in Greenburgh. In prior years Irvington had been receiving its water supply from the Croton Aqueduct, the Delaware Water System and the Catskills. Our pumps weren't sufficient to pump needed water throughout the year (especially in the summer – remember those brown water days and water rationing when no other Village had to?). A new pumping station was built in Greenburgh. The intention was for Greenburgh and Irvington to share in all costs. Irvington began to draw its water supply from Rumbrook in August of 2004. As of today Greenburgh has yet to come on line and as a result Irvington is the sole user of the Rumbrook Pumping Station and is being asked to pick up 100% of pumping station costs (100% pass thru). This was neither the intent nor the agreement. The Village has just been billed from Rumbrook claiming owed operating costs (costs which technically should have been allocated to Greenburgh had they come on line). Rumbrook is claiming Irvington owes approximately \$1.1M for operating expenses for the years 2004 thru 2007.

The recommended expenditure budget for 2007 for the Water Department of \$1,893,900 reflects an increase of approximately 4.7% compared to the projected actual expense results of \$1,809,425 for 2006. The year-end deficit in the Water Fund for 2006 is estimated to be up to \$(1,228,900) after adjustment for the RPS disputed claim for 2004 and 2005, *and* a worst case estimate of the implied increase in 2006 RPS charges. This estimate represents an increase of 36% compared to 2005, and a total deficit increase of 238% over the four year period from 2004-2007.

The recommended budget for the Sewer Department reflects an increase in expenditure for 2007 of 58%, and an improvement in the 2006 year-end surplus of the Sewer Department to approximately \$106,433. The increase in expenditure is largely attributable to an increase in the allocation of personnel costs from 0.5 to 1 FTE, and a contingency to cover expected sewer backup work requirements in 2007.

2.0 2007 Budget/ Financial Summary

2006 Budgeted Debt Reduction (NOT ACTUAL)

Revenue	1,891,750
Expense	1,587,171 (adjusted – not projected)
Revenue Surplus	304,579 (without Rumbrook adjustment)
Contingency Line Item	150,000 (earmarked for debt reduction)
Total available for debt reduction	454,579
Debt as of 5/31/06	1,028,712 (debt incurred from 2002-2006 operations)
Surplus applied	(454,579)
Total debt (budgeted)	574,133

2006 Projected Actual Fund Deficit

Revenue	1,891,750
Expense	1,809,425 (includes 2006 Rumbrook charge \$302,315)
Revenue Surplus	82,325
Contingency Line Item	150,000
Surplus available for Debt Reduction	232,325
Debt as of 5/31/06	1,028,712
Surplus applied	(232,325)
Total Debt	796,387
Add Rumbrook Bill	432,536 (2004 and 2005)
	27,685 (2006 remainder – billed \$330,000)
	30,000 (330,000 expected 2007 bill in addition to current charges but 300,000 funded in recommended budget)
Total Debt	1,258,923

3.1 Rumbrook Pumping Station Disputed Charges

The Town of Greenburgh has submitted an invoice to Irvington for \$432,536 in back-dated operating budget RPS charges for FY2004 and 2005. This is in addition to the RPS charges the Village has already paid in 2004 and 2005 (respectively, \$195,213 and \$183,531). Based on the charging/costing approach that appears to be adopted in the new invoice, Irvington would also have to absorb an *additional*, unbudgeted RPS cost increase of *up to* \$457,255 for FY 2006 RPS water charges.

The disputed claim would increase the 2004 and 2005 charges for RPS from \$378,743, the total amount included in the accounts for 2004 and 2005, to a total of \$811,278. In addition, if the basis of charging

that is reflected in the disputed invoice was applied to 2006, Irvington could be charged with an unbudgeted incremental charge of *up to* \$457,255 for its usage in the 2006 fiscal year (over and above the \$200,000 charge that was assumed in the 2006 budget). As noted earlier, this would increase the projected Water Fund deficit to approximately \$1,258,923 as of May 31, 2007.

The terms and conditions of Irvington and Greenburgh's agreement for the RPS are referenced in the *Intermunicipal Agreement dated July 13, 1989* ("IA"). The Committee's review of the Agreement indicates that Greenburgh's billing approach, which involves billing Irvington for a disproportionate share (understood to be 100%) of the joint operating budget of the RPS, is not authorized. This assessment is consistent with the opinion of the Village's legal counsel.

The IA does not expressly address how the attendant circumstances should be dealt with by the parties. Irvington would need to rely on the general intent of the parties that is reflected in the recitals/preamble, and the thrust of the specific provisions, of the Agreement. A comprehensive review of these provisions indicates that Irvington is in a strong position to challenge Greenburgh's invoice and cost allocation approach. Greenburgh's conduct and billing position would appear to be emphatically contrary to the spirit of the RPS Agreement.

As noted, the financial impact of the disputed claim is very significant. Importantly, the adverse impact would be even greater, were it not for the substantial positive variance in water usage volumes for 2006. This variance resulted in an increase in revenues of approximately \$304,579 for 2006 (adopted budget).

Rumbrook raises two issues. First, resolution of the disputed charges. Second, whether the Village should continue to operate its own water department. On the first issue, the Committee believes that the Water Department's rate structure and revenue assumptions for 2007 (and beyond) need to be reviewed, and almost certainly increased. The Committee holds this view, regardless of whether or not Irvington achieves a satisfactory outcome in its negotiations with Greenburgh. It would be financially imprudent for the Village to commit to a Water Department budget for 2007 with an implied deficit of as much as \$1,258,900 without agreeing on an effective response and financial strategy to address the underlying deterioration in the Water Fund.

This is particularly so, given other financial and operational contingencies and risks in the Water Department's activities. These issues, such as the potential expenditure on the Village's water storage tank (circa \$300,000), and the financial impact of the new accounting standards on crystallization and disclosure of pension and other long term personnel liabilities, lead the Committee to consider that there is material risk that the Water Fund deficit could increase significantly in the next 12-24 months.

3.2 Sustainability of Current Water Department's Operations and Financial Position

Prior year budget constraints have imposed restrictions on the Water department's personnel budget, and its ability to undertake non-emergency repairs and maintenance, and system testing and upgrade projects.

The Department functions with 3 FTE's, comprising an Assistant Superintendent, a Foreman, and a Water Maintenance Worker Grade 1.

In 2005, Irvington investigated alternative operating strategies with United Water, which operates New Rochelle's Water Department. Options considered ranged from contracting-out services to full privatization. United Water ultimately withdrew from the discussions due to the Company's concerns about the quality of Irvington's Water Department infrastructure and the likely need to review residents' water rates in the near term.

The Committee's preliminary assessment is that the Water Department's current operations and financial position may not be sustainable given apparent fiscal and tax constraints, and that it should be reviewed as a matter of priority. Independent examination of the Department's infrastructure would provide constructive insight on the state of the system and the extent of the likely capital and operating expenditures that may be required to address weaknesses and problems in the next 2-3 years.

4.1 Independent Consultant Review

Appoint qualified water engineer-consultant to undertake an independent review of Irvington's water infrastructure and report to the Board of Trustees on (1) its condition; (2) the problems, deficiencies, weaknesses identified by the engineer which need to be addressed within the next 3 year timeframe to ensure that the Village has an effective and operational water system appropriate to its needs; and (3) the indicative costs associated with rectifying the problems and deficiencies etc. identified in (2).

4.2 Increase Water Charges in FY 2007

Increase water charges in 2007 by approximately 20% to generate \$350,000 towards reduction of the Water Fund deficit in FY2007. This would reduce the deficit to between \$(900,000) to \$(1,200,000). Assuming that there are no additional expenses associated with Rumbrook and New York City does not increase the rates, the deficit should be eliminated within 3 years at which time a fund can be established to tackle infrastructure upgrades. It is uncertain as to what our ultimate liability will be for Rumbrook. The Village also does not know what the ongoing costs of Rumbrook will be. The Village is in the process of hiring new legal counsel and the future water costs are partially a function of how this issue is resolved.

4.3 RPS Dispute Negotiating Strategy

Agree negotiating team and strategy to resolve the RPS dispute. This should include a clear timetable and identify specific strategies to address each of the principal likely outcomes.

REPORT ON PARKS and RECREATION BUDGET

Prepared by John Montgomery

Participating sub-committee members:

Guy Leaser, John Montgomery, and Penn Wyrrough

I. Summary

The budget for Parks is proposed to rise 9.9% to \$357,912 this year; the most important direct causes of this increase are (1) an allocation to the Beautification Committee, (2) resurfacing of tennis or basketball courts, and (3) rising personnel costs. The budget for recreation net of fees is proposed to rise 8.4% to \$695,290. The details of this budget are less clear than for the Parks budget.

The subcommittee is in need of additional detail and explanation on the Recreation budget, so it can better understand the costs and fees of the various programs. In the interim, it proposes that recreation fees, which current are not budgeted to rise at all, be raised by the same rate (4.8%) as the recreation budget before fees.

II. Details of current budget proposals

A. Parks Department

The Recommended 2007 Parks Department budget is \$357,912. This represents a \$32,125 increase (9.9%) over the original 2006 budget. For a longer-term perspective, the Parks budget, based on the current proposal, will have expanded 133% since fiscal year 1999-2000, which is equivalent to a 11.2% compounded annual rate.²

The main contributors to the increase are as follows:

- \$10,000 for the “Beautification Committee,” against nothing last year. The money going to this committee would \$3,000 for ongoing committee work (seasonal plantings), and \$7,000 for the replacement of benches and trash receptacles on Main Street. In Joe Archino’s January 31, presentation to the Board of Trustees, he noted that the existing trash receptacles are fairly new, but the supplier has proven unreliable, warranting the purchase of new ones. The \$3,000 for seasonal plantings has been elsewhere in the budget in previous years, but it is not clear where.
- \$8,000 for “Repairs-Equipment,” also against \$0 last year. This money would be used to resurface either the tennis courts in Memorial Park or the basketball court in Scenic Hudson Park, with the other site to be done the next year. The resurfacing lasts 4-5 years.
- \$8,694 increase (7.2 %) in personnel costs (regular and overtime), reflecting CSEA increases for 1.5 persons.

² As with all department numbers in the Village General Fund, the departmental budget items do not include benefits costs, including health and retirement. They also do not include costs of assets funded in the village capital budgets.

- \$5,000 increase (12.5%) in “Other Operating. & Maintenance. Expenses.” This increase was not explained, but it seems to reflect a budget overrun this past year.

Other things to mention in the Parks budget include:

- Continued expenditures of \$20,000 per year (under “Professional Fees”) for geese relief.
- Summer laborer expenses of \$52,500, assumed to be unchanged “pending annual reviews”
- The Parks budget allows for funds to replace a certain number of picnic tables and benches in Mathiessen Park. These are done on a rotating basis, and when other expenditures arise a year may be skipped. It was not clear to me what line item covers these expenses.

B. Recreation Department

The Recreation budget is considerably more complicated than the Parks budget. The numbers presented in the Board of Trustees meeting did not reflect revenues from program fees. Excluding these fees, the recommended Recreation budget is \$1,179,390, a \$53,590, or 4.8%, rise over last years budget.

The proposed budget does not include any increase in fees, keeping them at \$484,100. This means that the Recreational budget *net of fees* is \$695,290, an 8.4% increase over last year’s \$641,700. For a longer-term perspective, the Recreation budget, based on the current proposal and net of fees, will have expanded 91% since fiscal year 1999-2000, which is equivalent to an 8.4% compounded annual rate.

The subcommittee advises the Board of Trustees to consider raising recreational fees at least at the same rate as the increase in the Recreational Department budget – that is by 4.8%. The result of this change would be that the Recreational Department budget net of fees would rise by the same 4.8%.

The 2007 recreation budget is affected by an issue with swimming in the village’s summer programs. In past years, the village has been able to use the pool (and staff) at the Ardsley Country Club, but this is no longer available. An alternative at Mercy College is being considered, but this will require the hiring of a summer pool staff of 5 individuals (including a director, 3 lifeguards, and one other worker) and other costs (transportation and fees paid to Mercy College), requiring total expenses of about \$24,650. The net overall budget impact of this was difficult to follow, but it will in part be paid for by a reallocation of the \$29,000 budgeted last year to “Adventure Trek,” which has no money in the current budget. According to Joe, the budget lines receiving funds for the swimming are “Summer Camp” and “Teenscape.” However, the budget for these two lines is \$16,000 less than these two lines plus Adventure Trek last year, so we not fully understand the budgeting for these programs.

Additional points to note on the Recreation budget:

Budget includes a \$27,365 increase (8.75%) in personnel costs (regular time). It appears that this actually reflects increased costs during 2006-2007, because there is no increase from the “Final Current Projection” for 2006-07. Raises for next year are left as contingencies, and not included in the budget.

- \$17,475 increase (17.5%) in budget for “Youth Programs.”
- \$11,000 increase (6.7%) in budget for “Senior Citizens.”
- Budget includes \$10,000 placeholder to lease a vehicle to replace a 1997 Ford Expedition.
- Separate from the Recreation Budget is a \$50,000 Celebrations budget, which is unchanged from last year. This apparently includes the budget for July 4 fireworks, which may need to be cancelled this year due to planned work on the bridge over the railroad tracks.

III. Issues

The subcommittee found it difficult to understand the costs net of fees of the various recreation programs. The village needs this information clearly laid out in the budget if it is to make decisions about various programs. In our February 28 meeting, Joe Archino promised to deliver this information to the subcommittee in the near future.

An important issue is the extent to which recreation fees should cover the cost of recreation programs (not to mention the costs of the facilities – such as fields – used for those programs.) According to Joe Archino, the philosophy guiding the village’s programs is that some programs should be free, some other programs should charge fees that do not cover the full cost of the programs, and others should charge fees to cover the entire cost of the programs. A constraint cited on increases in fees is the difficulty a number of program users have in affording the existing fees. There are also measures in place to charge higher fee amounts to non-residents, including residents on the non-Village portion of the Irvington School District. In its future work, the subcommittee hopes to gather information to allow it to evaluate these issues more thoroughly.

IV. Recommendation

The subcommittee advises the Board of Trustees to consider raising recreational fees at least at the same rate as the increase in the Recreational Department budget – that is by 4.8%. The result of this change would be that the Recreational Department budget net of fees would rise by the same 4.8%. To the extent that such a rise would create financial hardship for users of the programs, the Recreation Department might consider a discount to those with financial need.

REPORT ON GENERAL GOVERNMENT BUDGET

Prepared by John Montgomery

Participating sub-committee members:

Guy Leaser, John Montgomery, and Penn Wyrrough

V. Summary

The overall village budget for fiscal year 2007-08 calls for a 5.6% increase in spending. With a decline in non-revenue and in assessed value, this translates into an 8.2% increase in the property tax rate. Included in total spending of \$14.1 million is \$1,769,259 for debt service. Village debt at the beginning of 2007-08 will stand at \$13.3 million. Budgeted pension payments include \$754,665 to State funds for village employees and \$91,000 for volunteers (with a considerable unfunded future liability for the latter). Healthcare costs (excluding those for library and water personnel) are \$1.53 million. An important budget issue is a consideration of alternatives to help control healthcare costs. It is also important for the village to develop meaningful estimates of liabilities for future retiree healthcare costs.

VI. Details of Current Budget Proposals

The overall budget calls for a village property tax increase of about 7.1%, from \$10.8 million to \$11.6 million. With assessed value dropping \$500,000 (to \$48.1 million), this implies an 8.2% increase in taxes per assessed value. This is slightly higher than the average increase over the previous 8 years of 7.9%. Overall, this translates into an increase in taxes per assessed value of 84.1% since 1999-2000.

Total Village expenditures are budgeted to rise 5.6% this year, from \$13.3 million to \$14.1 million, a somewhat lower rate of increase than the average of 7.6% over the past 7 budgets. Village revenues apart from property taxes are budgeted to decline 1.0%.

1. General fund village revenues other than property taxes

Budget includes \$59,000 (up from \$26,000 the previous year) in "Other Payments in Lieu of Taxes," reflecting existing "pilot agreements" with two not-for-profit institutions and a new one-year pilot with Holy Spirit. These are apparently temporary arrangements with entities that have successfully challenged their property tax assessments.

Revenues from other jurisdictions include:

- \$800,000 from county sales tax. Budget at \$800,000, same as last year's budget, although current 2006-07 projections are \$850,000.
- \$200,000 from state mortgage tax.
- \$31,000 in state "per capita" aid

- \$66,000 from Greenburgh for fire protection in East Irvington. Down from \$80,000 in last year's budget.
- \$63,500 in consolidated highway aid. This must all be spent on highway maintenance. (Not sure if this is all for Route 9.)

Details on the largest sources of village fee income include

- Recreation fees: budgeted to stay unchanged at \$484,100. As mentioned in my notes on parks and recreation, we need to get an understanding of the parks and rec programs net of fees collected, rather than consider these fees as a separate item in the village budget. There is also a need to consider raising these fees, at least in line with rising recreation program expenditures.
- Building permits: Budgeted to drop to \$150,000 from \$165,000 in last year's budget. This was meant to reflect a pessimistic forecast for building permits, despite an increase in fees.
- Rental of property (cell phone tower or towers [?] off of Mountain Road): budgeted to rise from \$90,000 (in 2006-07 budget) to \$95,000.
- Railroad parking (at Ardsley station): budgeted to rise from \$75,000 in last year's budget to \$85,000 in current budget. However, projected revenue for current year is \$100,000, and it was not explained why this is higher than budgeted amounts.
- Cable T.V. Franchise fees: budgeted to stay unchanged at \$85,000
- Town Hall Theater: budgeted to stay unchanged at \$65,000.

2. Village debt and debt service:

Projected debt service in FY 2007-08 of \$1,769,259 (of which, \$515,649 is interest and \$1,253,610 is principal repayments).

The village will have \$13.3 million in outstanding debt at the beginning of FY 2007-08. Of this, \$2.2 million is for the water department and \$11.1 million is for "non-water." (The village's debt is about \$2,000 per person and \$6,600 per household.)

3. Pension fund payments

Village payments to State retirement funds are projected at \$754,665 in 2007-08, down from \$793,308 in 2006-07, which included some one-time catch-up payments.

The budget also includes \$91,000 in local pensions, up from \$89,000 in last year's budget, for ambulance and fire volunteers. According to the audited financial statements,

there was an unfunded liability of \$563,197 in these programs as of Dec. 31, 2005. More recent information is not readily available.

4. Benefits and other personnel costs

The big item is health insurance (including dental and vision). This is budgeted to rise 6% from \$1.44 million to \$1.53 million (excluding costs allocated to the library, water, and sewer funds). Of the budgeted amount, \$1.40 million is for hospital and medical insurance, \$116,000 is for dental, and \$12,480 is for vision.

Of the hospital and medical total, about a third is for retirees. This is another area where some consideration of likely future costs might be appropriate. A change in government accounting rules will require that the village project future retiree health costs starting with the FY 2008-09 budget. It would be advisable to accelerate this process, as proper village budgeting requires a clear understanding of future costs.

5. Other items in the general village budget:

Special items in this year's general government budget include:

- \$10,000 for a consultant to conduct study of Main Street zoning.
- Clerk-Treasurer personnel costs rising 18% (from \$225,900 to \$267,562), mostly reflected reallocation of costs from Water Department (presumably related to water billing).
- General liability and casualty payments are declining about 9% from last year's budget. This is already reflected in lower realized payments in 2006-07. Total payments for 2007-08 are budgeted at \$449,447. It was not clear how much is due to improving insurance market and how much due to Village's claims history. Workers Comp insurance is expected to rise about 8% (from last year's actual payments) to about \$757,328.
- Budget includes \$233,870 for contingencies, down 28% from the \$324,594 in last year's budget. The largest contingency item is \$108,870 in non-union pay and benefits increases. Most employees are assumed to receive a 4% raise.

VII. Issues

The general village budget contains a number of important issues that require further analysis:

- The cost of health benefits, including costs for retirees. A consideration of alternative arrangements is clearly warranted. It is also important that the village get a better picture of its future liabilities for retiree health benefits.

It might also be advisable to consider establishing a fund for these liabilities.

- Tax base: The Village's tax base in assessed value terms is shrinking 1.0% this year, requiring a disproportionate increase in property taxes. It is important to understand the reasons for this erosion and to consider measures to maintain the assessed value of village's property tax base.
- Unfunded liabilities for volunteer fire and ambulance pensions. The Village has unfunded future liabilities for both of these programs. There is a strong rationale for finding liabilities for current or past volunteer service, or at least, recognizing these liabilities in the village's budget.

REPORT ON DEPARTMENT OF PUBLIC WORKS BUDGET

Prepared by Jim McCann and V.K Ranganathan

Participating sub-committee members:

Alan Hight, Hilary Chenel, Terry Masterson, V.K Ranganathan

The following observations are from 2 meetings with Greg Nilsson, with Don Marra, Larry Schopfer and Ed Ritter joining in some of these meetings, with further inputs from Terry Masterson.

The DPW is similarly structured as a mid sized construction company.

Head Count: There are 28 people on staff under Greg's direction. 3 in the water dept and 25 in the DPW (including Greg). The number of employees in DPW has not increased in possibly more than 10 years. In the same period both the population and number of households have each increased by 5%.

Due to scheduling and vacations, on average, there are 3.2 men out each day. All work related scheduling is monitored via the union work contract.

Daily Routine: The normal work day is from 7am to 3:30pm. Some men come in earlier voluntarily. Early start is not overtime.

The largest effort on a weekly basis is that of garbage and recycling pick up. Garbage is done on all days of the week. On these days, the men are finished their runs by 12 or 1pm. Thereafter, it is not possible to begin any realistically large projects because the work day ends at 3:30pm. The 2 or so hours in the afternoon are used to do highway work (i.e.....sweeping, lawns, sidewalks, etc)

Regarding garbage pick up, the trucks bring their collected loads to a county dump site and the village is charged a per truck tipping fee. Regarding recycling, those loads are brought to a different county site. There is no charge to the village to dump the recycle loads.

Wednesday is the day of the week where larger scale construction/repair work is scheduled. This is the day when the projects in the capital budget are done. This year the capital budget was earmarked for the following: Sidewalks - \$30,000. Drainage - \$30,000. Curbing - \$30,000. Catch basin repair - \$30,000 (there are 670 catch basins in the village, this year 150 cleaned out, not fully repaired.)

Incentives and morale issues: Greg thought the morale in his department was very high. We talked about the possibility of an incentive program. Greg reminded us, the union labor contract would have to be looked at with regards to that. In his classic Get-it-done attitude, he thought his men reacted quite well to "feed'em – clothing – and overtime"

The capital budget is usually funded by a bond anticipation note (BAN) and after a few years is rolled over into a long term bond.

The different village departments under public works are as follows:

Highway.....also called street administration
Maintenance.....also called street administration
Mechanics....also called central garage
Sanitation (Refuse collection)
Recycling
Water

Outsourcing: The village does a cost analysis for each task needed to be done. What is usually found is if we own the equipment to do the work, our cost assumptions are noticeably lower than a private bidder. This is due to the fact that we only cost out the equipment or machine at its maintenance cost per hour, not at the outside prevailing market rate. (Example: The village contracted with a private firm to do this year's catch basin work. However, we are in the process of buying a machine to do this work and therefore next year the contract will not be let out to a private firm. This is due to the mandate from the state that every catch basin is kept clean, with a recommendation that it is cleaned 4 times a year). It costs \$70 per linear foot to install drainage if handled by a contractor. The DPW can do it at \$20 per linear ft. The DPW weighs these costs while contracting out.

Purchasing: Most of the large scale purchasing is through the state run buying program for machines, vehicles and material. Private bidding is also done, but a majority of our buying goes through the state program. To put this in perspective, the recreation dept had to buy a new van for the seniors program. The van was bought in the state program for \$20,000. The retail bid for the same van was \$35,000. A few years ago we bought a heavy machine loader. The private bidder gave us a price of \$190,000; it was bought through the state for \$105,000. This is not to say some small items are not bought locally. This is done as a convenience for the special service needed for items.

Going forward issues: It is expected that some larger scale equipment will be needed to be purchased in the near future (1) 2 garbage trucks, \$200,000 each, although the current trucks look good as new, they are 20 years old and their annual maintenance costs will only increase in the future (2) 1 street sweeper: \$130,000 and (3) Four pick up trucks.

Analysis of DPW budget financials:

The DPW's budget recommended for 2007/8 stands at \$2,719,588, an increase of 9.8% from the projected actual for 2006/7. Compared to the adopted levels of 2006/7 (i.e. not actuals), the increase recommended for 2007/8 is only 3.8%. The adopted DPW budget level has advanced by 58% in the last 10 years from \$1,719,056 in 1997/8 to \$2,719,588 in 2007/8. The CPI inflation during this period was a total of 26%. Rising material costs, notably fuel, are also contributing to increases in the DPW budget. (Example: DPW is budgeted to incur \$161,700 for gasoline in 2007/8, compared to an estimated \$121,520 in the previous year.)

DPW's budget is approximately 19% of the overall budget for Irvington for 2007/8, and this ratio has remained unchanged in the last 5 years.

Approximately 56% of the DPW budget is for staff salaries. The DPW budget does not include retiree benefits and state mandated insurance costs.

Per Capita DPW expenditure and comparison to other villages: The per capita expenditure of the DPW is about \$380 in 2006/7, (i.e. DPW budget/population). Irvington's per capita DPW expenditure is relatively large compared to that of Hastings ($\$232 = \$1,785,662 / 7,703$), and Dobbs ferry ($\$221 = \$2,380,673 / 10,770$), but pretty close to that of Ardsley ($\$1,674,903 / 4,423 = \379). The presentations of departmental budgets slightly vary. However, these are fairly representative per capita DPW expenses.

Cost of services varies widely between villages despite proximities. Bronxville and Mount Vernon have different cost structures, reflecting partially different service quality. However, as municipal contracts for services/employment as well as the cost of materials are standardized, and they run along state mandated guidelines, the reasons for wide variance in per capita public expenditure needs to be found elsewhere. A point to note is that our village provides several services which others do not.

It is pertinent to note that sidewalk snow removal is the responsibility of property owners in all of our adjoining villages, who get a summons, if they fail to maintain the sidewalk in front of their house. But Irvington provides this service, which is generally overtime expenditure. Irvington will incur \$160,000 for snow removal (overtime, supplies and equipment and maintenance) in 2007/8. There could be some savings in the budget if the sidewalks are cleared by the property owners themselves, as done in other villages.

Sidewalk maintenance: The sidewalks are owned by the village. However, under the Municipal law, each municipality can decide on whose responsibility it is to maintain the sidewalks. The Irvington Board can transfer this responsibility to property owners, if it decides to do so.

The village has 22 miles of roads (1.9 miles, i.e. Broadway, belong to State,) of which 10 miles have sidewalks. Clearing sidewalks (snow removal, leaves blowing and grass cutting), notably along the Main Street takes up considerable man-hours.

Street Administration is the major expense item for DPW: Budget for 2007/8: \$927,994, with a marginal 1.67% increase from the previous year. Close to 70% of this budget is for human resources. This primarily involves maintenance of roads, sidewalks, buildings and equipment, collection and disposal of yard wastage.

Refuse collection accounts for \$684,541 in 2007/2008, an increase of 6.5% from previous year. Potential for saving: Dobbs ferry requires residents to bag the leaves during the fall season. If Irvington adopted bagging as a rule, it can partially cut down the requested overtime fees of \$30,000 incurred in leaves collection. Garbage Collection

occurs daily, with 3 drivers and 6 laborers. There are two very dedicated early starters. Early start is not overtime.

Cost of Refuse collection and disposal can be reduced by educating and encouraging residents to recycle. Village is incurring an expense of \$125,200 in the current fiscal for dumping sanitation and construction debris. It pays about \$25 per ton of garbage, \$10 per ton of concrete and black top debris arising from sidewalks repair. No charge for dumping recycled material, with the exception of concrete and blacktop debris and fridge.

Recycling Collection: Budget for 2007/8: \$189,141, with 90% being cost of human resources. Once a week pick up with one driver and two laborers, but occurs on all days of the week.

Recycling is collected in trucks with separate room for Pulp and paper products, and commingled material like plastics, bottles and cans. There are also bin trucks in locations like Hudson House. Recycling of TV monitors is done separately. Fridge is disposed off at \$5 per unit paid by the village. At present, the village does not charge homeowners for fridge removal. Air conditioners are also disposed off by DPW in line with the environmental mandate relating to Freon gas. No fees are paid by residents for such disposal. Concrete and blacktop debris arising from sidewalk repair are separately recycled.

Village gets grants for buying recycling trucks, with one half the costs subsidized by State/Federal govt.

Short term Recommendations:

(1) Expand Recycling: Research and adopt best practices from other municipalities to expand source separation of recyclables. There are many practices to use that Irvington does not implement. Encourage residents to recycle, and reduce garbage with an active communications campaign through the Village monthly Newsletter, Web Site, Channel 75 and direct communications with all co-op and condo boards and commercial trash generators. Village is incurring an expense of \$125,200 in the current fiscal for dumping sanitation and construction debris. It pays about \$25 per ton of garbage, \$10 per ton of concrete and black top debris arising from sidewalk repair. Fridge is disposed off at \$5 per unit. Residents should pay this Fridge disposal fee. No fees are incurred for recycling.

(2) Research Frequency of Recycling Pick Ups: Research pros and cons of picking up recyclables bi-weekly instead of weekly. Determine what cost savings would be. Weigh all pros and cons. Would fewer pick ups discourage recycling? Or are weekly pick ups not worth the tonnage collected? Perhaps issue homeowners larger recycling buckets.

(3) Create Grants and Funding Committee: Create a committee to research and recommend on funds available from County/State/Federal agencies for infrastructure development.

(4) Review Unique DPW Services for Greater Efficiency or Elimination:

Review/analyze all the special seasonal services and duties that DPW provides in order to see if they can be made more productive either through elimination, user fee based or modified to suit DPW manpower limits. There are no hidden messages in this recommendation. In fact, the DPW Superintendent has mentioned special services that should be looked at for greater efficiencies and these are worth re-visiting.

Medium Term

(1) Analyze Single Week Garbage Pickups: Garbage Collection occurs daily, with 3 drivers and 6 laborers. Consider collection of garbage once a week instead of twice, as is the practice in most New York municipalities and major cities such as Stamford, Connecticut and Croton, New York. This will save fuel, vehicle usage and maintenance expenditure. It may not work for all of Irvington, notably the denser buildings like the co-ops and Main Street stores and apartments. Single week could start as a model in one or two neighborhoods to see how it works – a step at a time.

(2) Shared Municipal Equipment purchasing: As the need for new equipment, machine and/or heavy machinery comes to the board's attention, it might be a great opportunity to push the "shared services" concept. Although, we do need heavy machinery for certain jobs to be done, it might be in the best interest of all to get more detail on the specific machines job function and compare it to the relative cost of owning 100%. Possibly, a small inconvenience could be accepted for a lower cost to the village.

(3) Sidewalks are owned by the village. In 1990, the Village commenced a major and most expensive replacement of sidewalks all over the Main Street and North/South Broadway zone. The end goal was to turn the sidewalks over to the nearest property owner. But this did not happen. Transfer maintenance of sidewalks (including snow removal) to property owners, as in almost all adjoining villages. Irvington will incur \$160,000 for snow removal (overtime, supplies and equipment and maintenance) in 2007/8. There could be some savings in the budget if the sidewalks are cleared by the property owners themselves.

(4) Residential Leaf Bagging: Consider the Dobbs Ferry rule for bagging leaves and try to partially reduce overtime fees, and deploy saved human resources for ongoing repairs. Consider all other leaf pick up options, however extreme such as fees for pick ups or calendarized scheduled pick ups for neighborhoods or encouraging/mandating residential on site composting through education materials perhaps for larger residential homes and estates.

Long Term

(1) An optimal growth rate in DPW expenditure: With very limited land area and limited expansion of roadways, the growth of DPW operational expenditure should generally be in tandem with the inflation rate. This can be marginally reduced and

brought in line with the per capita DPW expenditure of neighboring villages by implementing some of the above recommendations.

(2) **Shared inter-municipal services** can create economies of scale and thus alleviate some of the higher cost of running our village. The costs savings of a common repair facility or shared equipment could be significant, despite the initial obstacles to moving from owning to sharing.

When we brought this up with Greg, he answered it this way....."in a recent snow storm, one of my men was driving up from Yonkers. Coming up through Yonkers, the roads were a total mess Into Hastings, the roads were very snowy. In Dobbs ferry, the roads were passable. In Irvington, you were driving on black top".....Greg went onto talk about the different levels of service demanded by the different communities of their respective DPW. He went on to talk about the concern if we shared a machine and it came back broken, "who was going to pay to fix it?" Although newly purchased, the catch basin vacuum machine would be a possible candidate to share services with our neighbors to cut costs. Greg pointed out that each community might want to use the machine at the same time. Jim came up with an excellent idea that possibly we could "rent out" our machine to our neighbors at a rate which made it enticing for both parties to consider. Thereafter, Greg was concerned that an inexperienced machine operator from the next village could accidentally damage the machine. We went back and forth. This is a complicated matter, and probably worthy of consideration where the expense involved is too large for any one village to handle, providing an incentive for sharing.

(3) **Infra structure overhaul:** Currently the DPW is awaiting an indicative price from a contractor for renovation of specific streets, which need to be re-laid. This project must be funded by a bond enabling renovation of all roads which need to be re-laid. Once implemented, the village will have created an excellent infrastructure of roads, sidewalks, curbs and proper drainage of catchment areas, including burying of cables, with partial financial support from utility and cable companies which might be amenable to sharing in the cost because their wires...etc, would be protected by going underground. This is a long term vision, with huge benefits.

(4) **Public Works Garage:** Analyze in some reasonable manner the build out options and costs to rehabilitate the DPW Garage. Given that this issue is not a cost savings but a large expense it is a necessary measure to operate efficiently and preserve the long term operating value of our vehicle fleet. While this cost may not be affordable in the short term; the estimated costs will give everyone a perspective to think about going forward.

Sheltering All Equipment: Draft a report analyzing the costs savings of sheltering all equipment versus leaving all pick up trucks/ salt spreaders and various other vehicles out in the elements which accelerates depreciation and reduces vehicle efficiency in cold weather. A perfect example is the storing of the rescue fire boat outside when the river is frozen.....that is probably a \$100,000 piece of equipment and it is being stored incorrectly during a time of the year when it would never be put into operation.

Garage at its present location is truly an eyesore in a prime water front property. Consider using some the 11-12 acres of land near the firing range to relocate the central garage to the interior near the firing range in an effort to create a large garage to house all the equipments of the village. The cost of development to be borne by the property developer, who will construct a large steel garage for the village at his cost in return for the village giving the developer a portion of the land near the firing range for building homes. The current garage area can then be used for parking or other amenities, adding to the beauty and value of our waterfront. It is noted that residents living close to the firing range may oppose this, but a cost-efficient solution like this which is also on the “wish list” of Greg N, needs some consideration.

(5) Operating budget consideration and future bonding: We would recommend that any future bonding be done with a strict alignment of bond maturity and useful life of the DPW capital expenditure.

Cost Shifting: It is noted that some of the suggestions, such as bagging leaves by residents, will be cost shifting from the village to impacted residents. Jim McCann strongly felt that our recommendations should result in net savings, and not simply cost shifting.

VK Ranganathan felt that the committee should present to the Board all cost efficient and cost saving practices as in other villages, such as bagging leaves as in Dobbs, potentially resulting in a cut-back in overtime expenses. At present, residents pile their leaves on the road side leaving it to the village to collect. He felt bagging leaves cost as much or as little as segregating paper and plastic at home. Jim responded that there might not be any overtime savings at all. This obviously requires further investigation.

REPORT ON FIRE DEPARTMENT BUDGET

Prepared by V.K Ranganathan

Participating sub-committee members:

Alan Hight, Hilary Chenel, Jim McCann and V.K Ranganathan

The Fire Department is made up entirely of voluntary fire fighting members, as in most villages adjoining Irvington. There are 60 volunteers. Some work in the village and also volunteer, but live outside. The Department receives about 360 alarms per year; it works within the framework of a mutual aid system connecting nearby villages. About 2% to 5% of the calls originate from outside of Irvington.

The Fire Department incurred an expenditure of \$217,513 in 2005 (Actuals). In 2006, it is projected to spend \$242,270. For 2007, \$245,187 is being recommended, an increase of 1.2% from the projected expenditure for 2006.

Pension Trusts- Fire service award program: Active volunteer fire fighters under a points system are awarded pension benefits, determined at the rate of \$20 per year of service credit up to a maximum of 40 years. Strict conditions apply in determining active service. As of 12/31/2005, there were 16 retirees and beneficiaries, and another 63 actively vested. Actual contributions to this program stood at \$43,000, \$36,044 and \$53,808 for 2004, 2005 and 2006 respectively. The 2007/8 budget allocates \$55,000 for the program. The contributions have fluctuated between 119% and 147% of the actuarially required contributions for each fiscal year.

The IFD has managed to contain its expenditure growth at a conservative and stable rate, in the backdrop of a significant expansion in its mission, and training and equipment requirements. Additionally, it has become the lead agency in its jurisdiction for hazardous materials, technical rescue, water/dive rescue, and response to WMD incidents. Very creatively, it has worked hard to tap alternate sources of funding, including significant grants from the Dept. of Homeland Security (including a \$25,000 grant just announced for upgrades to the firehouse) in an effort to remain cost-efficient.

The Fire Dept. accounts for 2% of the total expenditure of \$14.156 million recommended for 2007/8. This ratio has mildly fluctuated around 2% in the last ten years.

In the last ten years, the Fire Dept's expenditure has increased by 25% from \$197,986 to the proposed \$245,187 in 2007/8. The Fire Department's expenditure (per capita: \$35) is in line with expenditures seen in the budgets of Ardsley and Dobbs ferry.

Personnel costs of \$43,000 (covering stipends for Fire Chiefs, Inspector and Training Officer) and equipment purchase of \$45,000 (gears, outfits and tools have limited life) respectively, each account for about 18% (total 36%) of the total budget.

Insurance at \$30,000 per year (12% of the budget), is an allocation to the Fire Department budget made by the Village administration. Ardsley's insurance costs are only \$4,700. This discrepancy needs to be clarified.

On the Revenue side, Fire Protection Services (Line item# 001.0001.2262) is slated to generate \$66,000 in 2007/8, a decline of 17.5% from the previous year, and a significant decline from \$110,000 in 2004 and \$106,447 in 2005. The Town of Greenburgh pays Irvington for covering the East Irvington area. This is being renegotiated.

A Do-Nothing Strategy
And potential consequences for Irvington Village Finances
Prepared by V K Ranganathan

Irvington's population and number of households (6,926 and 2,724 respectively as of 2007) have each increased by 5% in the last 10 years. The village has 2.7 square miles, with not much room for new households.

The Village budget has increased 58% during this period to \$14 Million (not including water and sewer) in 2007/8, when the CPI inflation rose a net 29%. Village revenues for services provided have increased by only 35% to \$2,502,000, resulting in the shortfall of \$11,584,000, which is covered by tax levies.

Expenditures have been sustained by a steady increase in tax rates, as well as by a significant growth in outstanding debt and debt service. Assessed valuations, which are the basis for calculating property taxes, have increased by a meager 8% to \$48 million during this 10-year period. A flat to falling assessed valuations, poor growth in revenues and a steadily escalating expenditure growth have constrained the village to double the tax rate per \$1,000 of assessed valuation from \$126 in 1997/8 to \$243 in 2007/8. Irvington generally relies on the assessments made by Greenburg Township, which reassesses at its own discretion. There is no law to reassess property values. The village reassesses when there are improvements to the property. 85% of the village is residential, and the burden of taxation falls on property owners. Non profit orgs such as religious orgs do not pay any property tax.

Irvington's per capita and per household public expenditure at \$1,932 and \$4,913 respectively for 2006/7, compares with that of adjoining Ardsley (\$1,893 and \$5,547), Dobbs ferry (\$1,226 and \$3,304) and Hastings (\$1,466 and \$3,505).

If the village maintained its expenditure growth at 6% as in the proposed 2007/8 budget in the future years, with property valuation and revenues having plateaued, we can expect our municipal expenditure to increase by 50% from the proposed \$14 million to \$22.3 million in 2015, a benchmark year for which we have population projections. Irvington tax rate per \$1,000 of property valuation will rise from \$243 in 2007/8 to \$391 in 2015, a net increase of 61% in rates in 8 years.

The rate of increase in taxes will be three times that of the estimated 2.5% per annum inflation that is expected to be maintained for the longer pull by the Federal authorities.

The Village employs 73 full time staff (PWD: 25, Water: 3, Police: 24). The majority of employees are covered by Union rules, and the village inherits several state mandated unbudgeted expenditures, covering pensions and health insurance, currently paid under "pay-as-you-go" scheme. The tax burden imposed on the residents will be at least 33% higher, if the legacy costs are included. While the village has a very dedicated team of employees (Thanks to the cost conscious/morale boosting Department Heads and their staff!), there is an ongoing need to watch the head count and vehicle purchase.

Near Term and Long Term Suggestions deserving detailed study:

- (1) Transfer as much of the cost of service provided to the users, and increase revenues.
- (2) Emulate adjoining villages in the maintenance of sidewalks by transferring this responsibility to property owners.
- (3) Institute bagging rules for leaves collection, as done by Dobbs ferry.
- (4) Institute a Citizen's Committee to tap Federal and State Funds to plug the shortfall in the budget, with a few Department Heads already creatively exploring these avenues.
- (5) Consider outsourcing as much as possible, as it does not add further to the unbudgeted state mandated expenditures.
- (6) Revisit the subject of shared services with adjoining villages, which are also waking up to the reality of rising cost of municipal administration, and are likely to be more amenable now than ever before to consider "selective" aggregation of services, which does not significantly dilute the personal touch that small communities so much value.
- (7) Re-examine the tasks of all village employees and user fees, and consider re-allocation of human resources, which helps to maintain services on a cost efficient basis and even help to break-even and cut back on expenditure.
- (8) The Village is already benefiting from the several volunteer councils, manned by professionals, and can't we depend on them more in an effort to hold the cost of administration?
- (9) Capital expenditures are funded via serial bond and BAN issues. Consider transfer to capital budgeting expenditures with long term life, although this imposes/increases debt service/burden. The outstanding debt of the village rose 85% from \$7 Million in 2000/1 to \$13.3 Million in 2006/7, with the debt service rising from \$1.1Million to \$1.8 Million during the same period.
- (10) While renewing union contracts and considering any new recruitment seriously examine the legacy costs of such actions, their impact on the tax rates, and inform the public and/or the CBC ahead of time, the potential costs of such actions.
- (11) As Ardsley does, just inform the public in simple English what the new tax bill means for a resident with an average residential assessment, prior to adoption.
- (12) I defer to several other valuable recommendations made by my colleagues on the CBC.